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United States Senate

COMMITTEE ON SMALL BUSINESS

WASHINGTON, DC 20510-6350

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April 15, 1999

The Honorable David M. Walker
Comptroller General
of the United States
Washington, D.C. 20548

Dear Mr. Walker:

Nearly all Environmental Protection Agency (EPA/Agency) programs and regulations require regulated entities including small businesses to perform environmental monitoring, maintain records and report information to EPA. The Agency has stated that it uses the information generated by these requirements to determine necessary pollution controls, ensure compliance with pollution control requirements, and obtain information on the impact of pollution and pollution controls on the environment.

Over the years, the Agency has developed information collection requirements intended to meet the needs of individual environmental programs with little regard to existing burdens in other programs or the cumulative burden imposed on regulated entities such as small businesses. In the process, it appears that these requirements have become duplicative, inconsistent, internally uncoordinated and poorly coordinated with State programs which must also collect and report information to multiple EPA programs.

The Agency asserts it is taking steps to reduce reporting requirements. For example, EPA's Reinventing Environmental Information initiative aims to provide universal voluntary access to electronic reporting, which it hopes would reduce paperwork burden. Efforts to transfer reporting requirements from paperwork to electronic processes may have limited benefit to the regulated community if they do not address the underlying duplicative, inconsistent or uncoordinated requirements, each with their own monitoring and record-keeping obligations.

Additionally, reductions to existing requirements will have little overall impact on the burden to small businesses if reductions are merely replaced with new requirements in other areas or programs. The latest Information Collection Budget published by the Office of Management and Budget (OMB) confirms this phenomena. While EPA claims to have cut the paperwork burden it imposes on the regulated community by 20 million hours as of November 1997, OMB reported that EPA's total information collection burden increased 6.5 percent in the three years leading up to November 1997 to almost 116 million burden-hours.

In 1996, the General Accounting Office (GAO) testified before the Small Business Committee (Committee) that EPA overstated reduction claims in both the Toxic Release Inventory (TRI) and its land disposal restrictions program. EPA initially claimed that a then recently adopted TRI reporting option reduced the burden associated with TRI

April 15, 1999

Page 2

by about 1.2 million hours. However, EPA did not offset this reduction by the additional paperwork burden the new option created - about 800,000 hours. Thus, the real burden reduction was only 400,000 hours, not 1.2 million hours. EPA also estimated that it had reduced the burden associated with its land disposal restrictions program by 1.6 million hours, but its January 1, 1995, baseline indicated that the entire program only accounted for about 800,000 hours. These overstatements led GAO to assert that EPA's burden reduction claims warranted continued scrutiny.

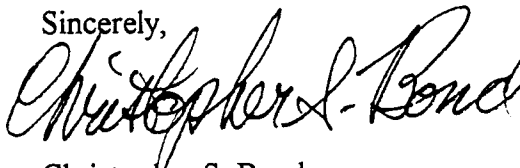
With this history in mind, the Committee requests that the GAO review EPA's paperwork burden reduction efforts, the total level of paperwork burden imposed by EPA, and the actual amounts of paperwork burden reductions EPA has produced in recent years. The GAO should utilize OMB's definition of "burden-hours" to define and calculate paperwork burden. The review should examine:

- 1) reduction initiatives, including information reinvention efforts, which reduced paperwork burden from either the national program or Regional level; the actual amount of paperwork burden reduced to date by Agency initiatives; the dates when current initiatives will produce actual paperwork reductions; and, the amount of reduction the initiatives are expected to produce;
- 2) the total level of paperwork burden imposed by EPA in each of the last three years including a description, rationale and impact of any burden-hour baseline changes; and,
- 3) total EPA paperwork burden-hour reductions achieved over the last three years including: paperwork reduction goals; actual reductions achieved; new paperwork burdens added either through new requirements or definition changes; and, total net changes in paperwork burden.

I request further that the review include, for each of the above parts, the amount of paperwork burden or reductions for small businesses as well as all regulated entities. The GAO should highlight and tabulate Agency efforts which specifically reduced burden to small businesses or provided relatively lower increased levels of burden for small businesses. The GAO should also examine ways in which small businesses are handicapped or unable to fully participate in burden reduction efforts because of resource limitations or other factors faced by small businesses.

The importance of this review to the small business community cannot be overestimated. Consequently, please ensure completion of this report for a hearing to be scheduled on or about April 3, 2000. Please contact either Suey Howe or John Stoody at 224-5175 if you have any questions regarding this request. Thank you in advance for your assistance in this important matter.

Sincerely,



Christopher S. Bond
Chairman